



ADVICE FROM AN EXPERT
by Mick Sagrillo

INSURING YOUR WIND SYSTEM
Potential Insurance Needs/Costs

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There are several additional hazards that a wind system should be insured for on your homeowner's insurance — including theft, vandalism, and floods.

While theft of an entire wind system seems implausible, there have been claims filed for individual components that have disappeared, both on the ground as well as atop the tower.

Vandalism is probably the biggest concern for wind turbine owners. The most frequently filed vandalism claim involves guns being fired at turbine blades or generators. In either case, damage can be substantial. I also have repaired damage which has been traced to juveniles undoing guy cables which caused a guyed tower to come crashing down.

Insuring a wind system as an "appurtenant structure" on a homeowner's policy is relatively inexpensive. While a percentage of the home coverage extends to appurtenant structures, added insurance can be purchased for an additional premium. In the Midwest, annual premiums run from \$2 to \$3.50 per \$1,000 of additional coverage. The lower figure represents a system sited in town, while the upper amount would cover a system sited in the country. Since most rural homeowner insurance claims are for fire damage, the deciding factor in pricing coverage is determined by the homeowner's distance from the nearest fire department. (These figures came from State Farm Insurance Co., a large national insurance company. State Farm is moderately expensive in terms of national cost of insurance coverage.)

Flood insurance is a nationally administered program which is usually focused on damage to your primary dwelling. Costs can be exceptionally high for a home that is situated on a floodplain near a stream or river with a penchant for flooding. Since this is a very site-specific assessment, no insurance company I contacted would even quote a range of prices. If you live in a floodplain, get an estimate before beginning construction on your wind system.

Liability insurance should be another concern for the homeowner. Liability coverage needs to address two areas. The first is liability coverage for property damage. While claims in this area are extremely rare, the possibilities include such things as a blade flying off or a tower falling down, thereby causing damage to someone else's property. The second concern centers around personal injury or death. Again, this could happen if a blade flew off the wind system or if the tower fell down. However, it could also happen if someone fell from the tower, or someone was electrocuted while working on

or nearby the system.

Like insurance to the wind system itself, liability coverage is relatively inexpensive if associated with a homeowner's policy. In many localities, the basic homeowner's liability coverage is for \$100,000. Increasing this to \$300,000 coverage is an additional \$6 to \$10 in the Midwest, and up to \$20 to \$25 more for \$500,000 of coverage. It is advisable to ask about an umbrella policy for liability coverage of \$1,000,000 or more, because the rates are cheaper still.

If your wind turbine is a utility intertied system, the local utility may dictate the level of liability insurance that they require as a condition for interconnection. If the amount seems unreasonable to you, by all means appeal to your state's public utility commission.

If you live in a rural area, ask the utility what liability insurance requirements they place on farmers with emergency standby generators. Such systems operate in a similar fashion to wind turbines and have similar protective devices, so it stands to reason that the requirements should be similar. Assure yourself that the utility is not merely "upping the ante" for your wind system to dissuade you from competing with them.

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